



CONGRESSIONAL BUDGET OFFICE

PAY-AS-YOU-GO ESTIMATE

October 28, 1998

H.R. 3790

Library of Congress Bicentennial Commemorative Coin Act of 1998

As enacted on October 19, 1998

H.R. 3790, which was enacted as Public Law 105-268, directs the U.S. Mint to produce and issue a silver coin and either a gold coin or a gold-and-platinum coin during calendar year 2000 to commemorate the bicentennial of the Library of Congress. The legislation specifies a surcharge on the sales price of \$50 for the gold-and-platinum coins, \$35 for the gold coins, and \$5 for the silver coins and designates the Library of Congress Trust Fund Board, a federal entity, as the recipient of all surcharges. CBO estimates that H.R. 3790 will decrease direct spending by \$6 million in fiscal year 2000 and increase such spending by \$5 million in fiscal year 2001 and \$1 million in fiscal year 2007, as shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays		0	-6	5	0	0	0	0	1	0
Changes in receipts					Not applicable					

Based on information provided by the Mint, CBO expects that it will choose to produce the gold-and-platinum coin (rather than the gold coin). We estimate that H.R. 3790 could raise as much as \$12.5 million in surcharges if the Mint sells the maximum mintage level authorized for gold-and-platinum coins and silver coins. Based on the recent experience of anniversary-based commemoratives, CBO estimates that sales will be significantly less than the 700,000 coins authorized by H.R. 3790, resulting in surcharges of about \$6 million. CBO expects that the Mint will collect the surcharges, which are recorded as offsetting collections, during fiscal year 2000 and will transfer half of that total to the Trust Fund Board in each of fiscal years 2000 and 2001. Because the board can spend such amounts without appropriation action, CBO estimates that the additional surcharges will result in new direct

spending of \$1 million in fiscal year 2000, \$5 million in fiscal year 2001, and less than \$500,000 in fiscal year 2002.

In addition, because the Mint will use silver obtained from the Defense Logistics Agency (DLA), an entity within the Department of Defense, to produce the silver coins, we estimate that H.R. 3790 will increase DLA's offsetting collections from the sale of excess silver by about \$1 million in fiscal year 2000. However, the government's supply of silver is limited, and we anticipate that it will be depleted by fiscal year 2007. Hence, the use of silver for the Library of Congress bicentennial coin in 2004 will leave less available for other collectible coins in subsequent years, resulting in a loss of about \$1 million in receipts in 2007.

Finally, we expect that the Mint will retain and spend any additional net proceeds generated from the sale of the coins to fund other commercial activities.

The CBO staff contact is John R. Righter. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.